The Nature of Partnership in Urban Renewal in Paris and London

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[Paper first received, February 2000; in final form, October 2000]

ABSTRACT This article reviews the growing body of European literature exploring the nature of contemporary partnerships. Some common themes emerge, but there also appear to be differences in the way partnership is viewed in different national contexts. The paper then describes the relationships between organizations involved in the process of redevelopment of an area of Paris and an area of London. These relationships are examined using the conceptions of partnership identified in the literature. The paper concludes by identifying some features of partnership which may be common to different national contexts and some which may vary according to context.

1. Introduction

Commentators from a variety of European countries have observed a growth in the importance of partnership linked to a shift from local government to local governance (see for example Cochrane, 1993; Harding & Le Galès, 1997; Harvey, 1989; Heinz, 1994a; Mayer, 1995; Ruegg, 1994a). It is argued that, in the context of economic globalization and of growing economic and social complexity, nation states have become less able to govern from above in a hierarchical manner. Local governments, faced with new problems and with fewer resources available to them, thus need to work in partnership with others to be effective. However, despite the widespread emphasis on the importance of partnership, there remains much ambiguity about what is meant by the term. This ambiguity is compounded when making transnational comparisons.

There has been considerable debate about the extent to which economic globalization leads to convergence and erodes local distinctiveness (see for example Harvey, 1989; Scott, 1997). It is therefore important to consider whether partnership is developing along the same lines in different national contexts. This paper begins by reviewing the growing body of European literature which explores the nature of contemporary partnerships. Some common themes are identified, but some differences in the conceptions of partnership in different national contexts also emerge. The paper then describes the relationships between organizations involved in two cases of urban renewal, one in Paris and one in London. These relationships are then analysed using the conceptions of partnerships identified in the literature.
review. The paper concludes by identifying features which may be common to partnerships in different national contexts and characteristics which may vary according to national context.

Before reviewing the literature on partnership, it is important to note some of the issues that arise in undertaking transnational research on this topic. Williams (1986) points out that the translation of a term from one national context to another can fail to take into account its wider associated meanings. Ascher (1994) puts forward the view that the whole concept of partnership is of Anglo-Saxon origin, noting that the French word ‘partenaire’ comes from the English word ‘partner’. He considers that the notion of public-private partnership is the product of a society where the public and private spheres are perceived very differently than in France. Newman and Thornley (1996) in their study of urban planning in Europe query the usefulness of the term ‘partnership’, because it is used to describe such a wide variety of forms of inter-governmental and cross-sectoral cooperation in different national contexts. This paper attempts to look beyond the use of apparently similar terms in order to assess whether the same range of phenomena is occurring in different national contexts.

Ruegg (1994b) considers that partnerships always arise from their specific socio-political environment. Booth (1993) argues that in transnational planning research plans and procedures should not be viewed as objective phenomena, which can be isolated from external factors such as the administrative and political system. He proposes a methodological approach that places planning processes in their wider cultural context. This author’s view is that both specific cases of partnership and broader conceptions of partnership need to be understood in their cultural context. This presents some difficulties in reviewing the literature, as authors do not always locate their analyses of the development of partnerships in a specific geographic and cultural context. Some authors are reporting specific research finding (see for example Mackintosh, 1992); others are implicitly making an analysis of national trends (see for example Duran & Thoenig, 1996). Others make an implicit assumption that similar trends are being experienced in different national contexts (see for example Mayer, 1995); whilst others are explicitly comparing the experience of different countries (see for example Heinz, 1994b). In the literature review which follows, the national contexts in which particular conceptions of partnership have evolved are, where possible, identified.

2. Theoretical Conceptions of Partnership

There is some consensus amongst European commentators about the influence of an American model of partnership. However, this model seems to have been applied differently in different European contexts. Deakin (1993) recounts how American thinking about the importance of private enterprise influenced British urban policy in the 1980s. He uses the term ‘privatism’ to describe the policy of “rolling back the frontiers of the state”, and of increasing the role of the business sector in devising and executing public policy. Deakin sees partnership between the public and private sectors in the UK as the mechanism through which the policy of privatism was being implemented. Ascher (1994), writing about France, and Heinz (1994a), writing about Germany, share the view that an American model was imported into their countries in the 1980s. However, they both see recent developments in partnership in their respective countries as being built on earlier forms of joint working between the public and private sectors.

Ascher (1994) notes that in France public–private partnerships were in the past often like a form of sub-contracting, by the state, of tasks which it did not have the means to undertake directly itself. He identifies a new dynamic type of partnership which has developed since the beginning of the 1980s; he sees this as a form of coproduction. Duran and Thoenig (1996) consider that in France, whilst there was a climate of steady economic growth, the hierarchical
structure of the state administration was capable of implementing local development. Goals could then be clearly defined and technical solutions could be applied. Duran and Thoenig argue that, in the more uncertain economic conditions that have prevailed since the 1970s, greater coordination and integration are required to find solutions to the complex and interconnected problems which have arisen. Mayer (1995) makes similar comments about partnerships making new connections between previously separate spheres. She notes blurring of sharp distinctions between traditionally distinct policy fields and observes that labour market, social, educational, environmental and cultural policy domains are now often linked with economic development.

Many commentators consider that public–private partnerships have the ability to produce outcomes which the public sector, working alone, cannot achieve. Duran and Thoenig (1996) see partnership as the product of a changed environment, in which the state cannot simply impose its will and suggest that the solutions to many issues of public concern now can only be realized with the participation of private actors. Ruegg (1994a) sees public–private partnerships as providing solutions to problems which could not have been achieved by either the public or the private sectors on their own. Mackintosh (1992) suggests that in Britain cross-sectoral partnerships have the potential for creating ‘additional’ social benefits. There are, however, dissenting voices. Edwards (1997), writing from a UK perspective, questions the frequently made assertion that partnerships involving the private sector are necessarily any more efficient or effective in the delivery of services than local government.

A number of authors take the view that prolonged interaction between partners is a defining characteristic of the new type of partnership. Ruegg (1994b) stresses the significance of interaction between partners and the process of continuing negotiation between them. Decoutère (1994) notes that the interaction of partners occurs in a number of distinct phases and identifies the two main stages as being conception and implementation. He suggests that in the new type of partnership there are much stronger linkages between the conception and implementation phases. Mackintosh (1992), in her analysis of partnership in the UK, also stresses the importance of sustained joint working. In contrast, Edwards (1997) sees most partnerships as temporary expedient arrangements for obtaining central government funding.

There is some debate about where the new impetus for partnership originates. Hastings (1996) agrees in part with Edwards (1997); she finds that in Scotland the initial motivation to form partnerships is to obtain access to central government funding. Heinz (1994b) considers that in most European countries the public sector is generally responsible for the initiation of partnerships, but notes that this is not always the case. Lorrain (1997) points out that in France the private sector is active in initiating new forms of partnership. He quotes the example of the development of a new form of contract for the construction and operation of public services by private firms seeking new markets. Rather than passively awaiting invitations to submit tenders for the provision of particular services, the private sector is now anticipating the requirements of municipalities and offering new products. Initially private sector firms became involved in providing services, but they are now extending their role and becoming involved in the conception of new projects.

Much of the literature focuses exclusively on public–private partnerships and stresses the importance of greater private sector involvement in the development of public policy. Many European commentators are concerned as to whether this impinges negatively on the role of the state. Heinz (1994a) views public–private partnerships as a form of privatization of the public sector in which a function previously carried out by the public sector is transferred to a body linked to the private sector. Delley (1994) acknowledges the greater involvement of the private sector in what was previously the public domain in Switzerland, but does not consider that this results in the state having a less significant role. He sees the state playing a more strategic and enabling role rather than being directly involved in the provision of services.
Moor (1994), also considering the issue from a Swiss perspective, finds that there is a conflict between the imperative of public sector partners to act in the public interest and the imperative of the private sector to maximize profit. Renard (1994) expresses concern that public–private partnerships in France may not always act in the public interest. He warns of the dangers of a loss of long-term vision and of the activities of partnership resulting in increased fluctuations in the economic cycles of the property market.

There is some agreement amongst British commentators (Deakin, 1993; Edwards, 1997; Hastings, 1996; Mackintosh, 1992) that one of the objectives of government support for public–private partnerships is the promotion of private sector entrepreneurial values within the public sector. However, this implies a view of the public and private sectors as culturally distinct and, to some extent, antagonist spheres which, Deakin suggests, is unhelpful to understanding partnership in a European context. In many European countries the state is seen as having a more complementary role in relation to the private sector. Bobbio (1994), looking at the question from an Italian perspective, considers that viewing the relationship between the public and private sector as a dichotomy impedes understanding of the phenomenon of partnership.

A number of authors note the importance of partnerships formed exclusively within the public sector. For example, Duran and Thoenig (1996) write about partnerships between the French central state and local authorities in the period since decentralization. Lawless (1994) describes partnerships between central and local government in the UK in a somewhat earlier period. Bobbio (1994) concludes from his research on Italian local governance that new relationships between public sector organizations are an important part of current restructuring. He argues that public–private partnerships are, in fact, frequently linked to public–public partnerships.

Heinz (1994b) notes that in the US and most European countries the growth of partnerships has been generally linked with decentralization. The only exception has been Britain, where Thatcher’s Government centralized the control of urban development and management in order to encourage greater private sector involvement. Ascher (1994) points out that in France the legislation in 1982 which gave local authorities increased powers was a spur to the development of public–private partnerships. Mayors, with new powers but limited resources, entered into a dialogue with the private sector. Lorrain (1997) agrees that mayors who wanted to avoid raising local taxes have looked to the private sector to provide investment.

A number of commentators identify the distribution of risks and benefits as an important issue. Harvey (1989) concludes from experience in the US and Britain, that the substantial risks of public–private partnerships engaged in speculative development tend to be underwritten by the public sector, whilst the benefits tend to accrue to the private sector. Ascher (1994) reports that the same problem arises in France. In his view, the public sector tends to cover any losses which arise, whilst only rarely benefiting if super profits are generated. Linked to the question of the distribution of risks and rewards is the wider question of social justice. Noisette (1994) notes that public–private partnerships have an inherent tendency to privilege wealthy and powerful private actors. Heinz (1994b) argues that public–private partnerships generally aim to achieve economic growth rather than a more just distribution of resources. He considers that the effect of public–private partnerships tends to be increased social polarity within cities rather than greater social equity. Noisette (1994) suggests that part of the problem in ensuring a fair distribution of risks and rewards is that the benefits to the public of public–private collaboration are often difficult to assess.

Another closely related issue is that of openness and accountability. Ascher (1994) identifies a lack of transparency in the conception and management of some development projects in France. Newman and Thornley (1996) see a problem of legitimacy, because
projects are being formulated outside a democratic context, often with local communities being excluded from decision-making. Reference is made by a number of commentators to the role of the third sector in partnerships, but it is the extent to which partnerships are open to community involvement is unclear. Mayer (1995) argues that social movements need to engage in new fora of urban governance to challenge these powerful trends to inequality, but Heinz (1994b) comments that in most European countries it is rare for citizen groups to be involved in partnerships. Hastings (1996) has studied community involvement in partnerships in Scotland and considers that the impact of their participation will only become evident in the longer term.

There is a distinct difference between British and other European literature in terms of the importance given to the formal legal structures of partnership. British authors particularly tend to focus on the process of partnership and to stress the importance of informal rather than formal relationships (Hasting, 1996, 1999; Lawless, 1994; Mackintosh, 1992). In other European countries, there is much more discussion about contractual relationships and joint organizations (Ascher, 1994; Heinz, 1994a, 1994b; Manfrini, 1994; Mettan, 1994; Renard, 1994; Ruegg, 1994b). However, this emphasis on the formal structures of partnerships does not necessarily exclude an acknowledgement of the informal processes. For example, Ruegg (1994b) sees negotiation pre-contract and continuing interaction between partners post-contract as essential features of contemporary partnerships. It is important to note that a contractual relationship is not necessarily perceived as constituting a partnership. Manfrini (1994) considers that the contract must at least involve agreement on a common objective to establish a partnership. Mettan (1994) sees contracts as stabilizing the relationship between partners and reducing uncertainty over a finite period of time. Manfrini (1994) points out a single contract may not be the only formal structure of a public–private partnership: he notes that in Switzerland contracts and rules of jointly owned companies frequently simultaneously define relationships between partners. Many commentators (e.g. Deakin, 1993; Renard, 1994) note the significance of a specialized type of company, the société d'économie mixte (SEMs) in the formation of partnerships in France. The legal framework for these companies dates from 1926; they provide a structure for French local authorities to carry out activities which are to some extent commercial in nature and part of their share capital is privately owned (Philibert, 1988).

From this review of the literature it is clear that commentators from a variety of European countries agree on some key characteristics of contemporary partnerships. However, it is also apparent that there are some differences in what British authors, and authors from other European countries identify as important. Figure 1 summarizes the key characteristics of partnership that emerge from the literature review and identifies the issues which are considered significant respectively by British authors and authors from other European countries. These differing conceptions of partnership are used to analyse the relationships involved in the two cases of urban renewal described below.

3. Two Cases of Urban Renewal

The case studies share certain features. They both concern cases of urban renewal in areas of the capital cities of their respective countries. Both areas had suffered economic decline in the post-war years and have been redeveloped during recent decades. The French case study concerns Bercy in eastern Paris, formerly the site of bonded wine warehouses. The British case study concerns the Surrey Docks in London, which were a system of inland dock basins. Both cases involved major public sector interventions and were part of larger programmes of redevelopment. Bercy was included in the area covered by the Plan Programme de l'Est de Paris. Surrey Docks was within the Urban Development Area of London Docklands. In both
### Figure 1. Features of contemporary partnership emerging from literature review.

<table>
<thead>
<tr>
<th>British authors</th>
<th>other European authors</th>
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<tbody>
<tr>
<td>use of central government funding to encourage partnerships with private sector</td>
<td>contemporary partnerships build on tradition of joint working between public and private sectors</td>
</tr>
<tr>
<td>private and public sectors seen as separate and culturally distinct</td>
<td>role of partnership in solving complex and interconnected problems</td>
</tr>
<tr>
<td>partnership seen as a means of promoting private sector entrepreneurial values</td>
<td>public sector and private sector roles complementary</td>
</tr>
<tr>
<td>emphasis on informal processes of partnership</td>
<td>debate about the extent to which the interests of private partners can be reconciled with pursuit of public good</td>
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- potential of partnerships for achieving outcomes which could not be achieved by one sector working alone
- involvement of private sector in development of public policy
- sustained joint working between partners
- majority of partnerships initiated by public sector
- importance of unequal distribution of risks and rewards
- partnerships concerned with economic development rather than social justice
- concern about public accountability of partnerships

cases the process of redevelopment spanned several decades. The wine trade at Bercy suffered a long slow decline whereas activity in the Surrey Docks collapsed suddenly. This resulted in a relatively longer time lapse between the initial proposals for development and the implementation of redevelopment at Bercy than at Surrey Docks. Central and local government played important roles in the redevelopment of both Bercy and Surrey Docks. However, the roles of different tiers of government and the interaction between them were significantly different.

### 4. The Conception Stage of Redevelopment at Bercy

In the Parisian case study, the key organization in instigating the process of urban renewal was the Mairie de Paris, which owned the land prior to redevelopment and was the statutory planning authority. Since the nineteenth century, the city of Paris had been administered by a prefect appointed by the central state. The creation of the post of elected mayor in 1977 involved a significant transfer of power. Chirac, then leader of the Gaullist party nationally,
became the first Mayor, and the Mairie de Paris became a powerful authority controlling huge resources.

The Mairie de Paris redeveloped the site of the former warehouses at Bercy by creating a zone d’aménagement concerté (ZAC). A ZAC is an area scheduled for comprehensive redevelopment in which a special planning regime operates; the ordinary system of land use planning is replaced with a plan d’aménagement de zone (PAZ). The revenue from the sale of land at increased prices is used to help fund the development of the necessary infrastructure and public facilities. The Mairie de Paris delegated the responsibility for the initial planning of the site to a specialist planning agency, the Agence parisien d’urbanisme (APUR). Responsibility for the implementation of the redevelopment was delegated to a SEM, the Société d’économie mixte d’aménagement de l’est de Paris (SEMAEST). SEMAEST had been set up by the Mairie de Paris to carry out redevelopment in the XIIe arrondissement of Paris, in which Bercy is located. SEMAEST was, nonetheless, involved at an early stage in the discussion of the plans for redevelopment and APUR continued to be involved throughout the process.

APUR and SEMAEST had played a similar role in the development of ZACs elsewhere in the city. There was, however, an innovative element in the organization of the redevelopment of ZAC Bercy. Prior to the formal declaration of the ZAC, a group of businessmen had approached Mayor Chirac about creating a new business quarter focussed on food and wine at Bercy to provide an international showcase for French produce. Chirac welcomed this initiative and part of the responsibility for the implementation of the development was delegated to the company which they set up, Société des zones d’évolution de la Seine (ZEU).

The relationships between the key organizations involved in the development of ZAC Bercy were defined both by contract and by ownership. The Mairie de Paris granted SEMAEST a contract for the preparation of the site for development and its subdivision into building plots. The land was transferred to SEMAEST, but they provided their services for a fee. Any surpluses from the sale of plots to developers accrued to the Mairie de Paris, whilst possible losses were underwritten by the Mairie de Paris. SEMAEST in turn subcontracted the development of the new business quarter to ZEU, who undertook to buy all the sites in this area and agreed to implement a programme of development. Although there was no direct contractual relationship between the Mairie de Paris and ZEU, in practice there was continuing dialogue between the Mairie, SEMAEST, APUR and ZEU. However, on a number of occasions it suited the political leadership of the Mairie de Paris not to have any formal direct relationship with ZEU. One such occasion was when the opposition at the Conseil de Paris asked questions about the renegotiation of ZEU’s programme in the business quarter following the crisis in the property market in the early 1990s. The Mayor’s spokesman was able to distance himself politically from the matter, pointing out that the discussions were between SEMAEST and ZEU (Bulletin Municipal Officiel, 1996).

It is important to understand the complexity of the interrelationships. APUR is a partnership between public sector bodies; it is jointly owned by the city, the region and the central state. However, as its grant funding now largely comes from the Mairie de Paris, it is in practice controlled by the Mairie (Amboise-Rendu, 1987). SEMAEST is formally a partnership of largely public sector organizations; it is jointly owned by the Mairie de Paris, Société nationale des chemins de fer français (SNCF), the nationalized state railway, and Société anonyme de gestion immobilière (SAGI). SAGI is jointly owned by the Mairie de Paris and a private property company. Neither SAGI nor SNCF play an active role in the management of SEMAEST. Like APUR, SEMAEST is in practice controlled by the Mairie de Paris. Its primary purpose is not to make a profit but to further the interests of the Mairie de Paris. Both APUR and SEMAEST belong to a network of organizations connected to the Mairie de Paris, which are frequently described as the satellites or tools of the Mairie de Paris.
(see for example Madelin, 1997). Despite being constituted as partnership organizations, APUR and SEMAEST both in practice operate as agents of the Marie de Paris. ZEUS is a consortium of banks and property companies. When it was set up in the 1980s, it was partly publicly owned, because all French banks were at that time state owned. Thus, despite being in law a private company, it could be described as a sort of public–private partnership.

The transport authority for the Paris region, Régie autonome des transports parisiens (RATP), was not involved in the early stages of the planning of development at ZAC Bercy. Whilst the Marie de Paris is represented on the board of RATP, it does not control this organization, because the central state, suburban communes and, since decentralization, the regional government are also represented. The central state provides the majority of capital funding and thus ultimately decides investment priorities. At the time of the creation of ZAC Bercy in 1987 Chirac was Prime Minister as well as Mayor of Paris, and was thus able to intervene to ensure investment in a new metro line serving Bercy. However, because this decision was made at a stage when plans for ZAC were already well advanced, the construction of the new line lagged behind the rest of the redevelopment.

5. The Conception Stage of the Redevelopment at Surrey Docks

In the London case study, there was much less stability in terms of the organizations involved and the relationships between them. The redevelopment of the Surrey Docks was closely bound up with plans for the whole of London Docklands. In the early 1970s, the Port of London Authority began closing the smaller upstream docks, including the Surrey Docks. The then Conservative Government commissioned proposals for the redevelopment of all the London docks (Brownhill, 1993; Hebbert, 1992). The local authorities and local communities were not consulted and were hostile to the proposals. In 1974, the Labour Government set up a joint statutory committee, the Docklands Joint Committee, to plan and coordinate the development. The organizations represented on the committee were the Department of the Environment, the Greater London Council (GLC), the Docklands boroughs, the Port of London Authority (PLA) and the Docklands Forum (an umbrella group for Docklands community groups). The Dockland Joint Committee prepared a strategic plan and the intention was that the boroughs would be responsible for implementing development within their areas. The construction of a new east–west underground line serving the area was seen as essential to the plan. However, there was not a commitment from central government to making the necessary investment.

During the 1970s, Southwark Council was probably the most active of the Dockland boroughs in promoting redevelopment. This was, in part, because the Surrey Docks were amongst the first to close, but also, because the borough had a long history as a very active developer of municipal housing and the leadership of its Council was at the time very active in encouraging private sector development (Ambrose & Colenut, 1975). They attracted the interest of an American property developer, Trammell Crow, who proposed to develop a wholesale Trade Mart. In Southwark Council’s local plan for Surrey Docks, a large site of about a third of the area of the old docks, was allocated to the Trade Mart (London Borough of Southwark, 1976). Southwark together with the GLC purchased this site from the PLA. The land was to be leased to Trammell Crow and the profits used to help fund the GLC’s and Southwark’s own developments. Southwark purchased the remainder of the Surrey Docks from the PLA and began a programme of dock filling, constructing roads, sewers, parks and municipal housing (Southwark Council, 1981). Due to the worsening economic climate, the development of the Trade Mart was delayed. The Government was asked to guarantee the bulk of the loans for the development, which it was not prepared to do, and the project floundered (London Borough of Southwark, 1979).
The election of a Conservative Government in 1979 led to the development of London Docklands being taken out of the hands of the GLC and the boroughs. The London Docklands Development Corporation (LDDC) was created to implement development. Land in public ownership was compulsorily transferred to them and they were given the power to grant planning permission for development. The LDDC was a public sector agency with a policy of fostering development by the private sector. Its board members were appointed by, and accountable to, the Secretary of State for the Environment. Board members did not represent organizations. Initially the leaders of the three London boroughs within which the Urban Development Area was located were appointed to the board. However, in 1982 after a change in the leadership of the Labour Group, Southwark Council broke off all communication with the LDDC, because they did not want to give legitimacy to what they saw as undemocratic, unaccountable organization (Southwark Council, 1982). The majority of the board was from private sector backgrounds and was sympathetic to the policy of private sector led development.

At the time of the creation of the LDDC there was no commitment to public investment in transport infrastructure. The GLC and the LDDC developed a proposal for a light railway that was a much cheaper option than a new underground line. In 1982, Heseltine, then Secretary of State for Environment, was able to secure central government support for this proposal (Crick, 1997). However, it served the Enterprise Zone, located on the opposite side of the river on the Isle of Dogs, where commercial development was being concentrated. In the early years of the LDDC there was no significant improvement in the public transport provision for Surrey Docks. It is interesting to note that the realization of the first phase of the Docklands Light Railway relied on a partnership between LDDC and the GLC, despite the antagonism between the Conservative Government and the left wing Labour Group which controlled the GLC after 1981.

6. Implementation of Redevelopment at Bercy

Although the role of coordinating the implementation of development was delegated to SEMAEST, the Mairie de Paris remained responsible for significant elements of the development including the construction of a park and a number of schools and nurseries. SEMAEST was directly responsible for development of the local road network, but otherwise sold land on for development by others. These contracts for sale of land included legally binding conditions defining the nature of permitted development more stringently than the PAZ, the statutory plan for the ZAC. In some instance developers were required to use particular architects, who had already prepared initial schemes for SEMAEST. APUR had a continuing dialogue with SEMAEST about design and urban form; it also had considerable influence in the selection of the consultant architects.

Sites for middle income and private sector housing were sold through a process of competitive tendering. Sites were specifically identified for middle income housing and in effect a separate land market was created. The relationship of the providers of middle income housing with SEMAEST was very similar to that of developers of unsubsidized housing in that they responded to a public invitation to tender. The relationships should not be viewed as partnerships, because they did not involve sustained joint working in the conception and implementation of projects, or a sharing of the risks and benefits of development.

The relationships involved in the development of low income housing were much more complex. The Mairie de Paris allocated the sites for low income housing, despite the ownership of the land having been transferred to SEMAEST. The chosen developers were all organizations which were part owned by the Mairie de Paris. Although other public and private sector organizations were also shareholders, the Mairie de Paris was able to dominate
these organizations through controlling their boards and by means of long-term contracts which set out their social obligations (Fonkenell, 1988; Lair & Lanau, 1988). The Mairie de Paris also controlled the distribution of state subsidies for low income housing and provided loan guarantees for these developments. Although these housing organizations were formally set up as partnerships, in practice, they acted as agents of the Mairie de Paris in the provision of social housing.

The agreement between SEMAEST and ZEUS for the development of the new business quarter at Bercy committed the parties to a series of further transactions in relation to the sale of land for development. The contracts for the sale of the land in the business quarter did not include as detailed of requirements as those for housing developments, but they were more prescriptive about the nature of development than the PAZ. The sale of building plots within the business quarter was generally the result of private negotiations rather than competitive tender. ZEUS itself developed a key site in the business quarter. Companies with links to members of the consortium were also involved as developers of other sites and as lessors of completed buildings. Most of the risk of development in the business quarter was taken by ZEUS and the developers of the individual sites. The Mairie de Paris benefited from the land being sold to ZEUS at high prices at the height of the property boom. The intervention of Mayor Chirac, following protests by the Ecologist Party and environmental activists about the felling of trees on the site, resulted in an 18 month delay in the building programme, whilst plans were redrawn to save the remaining trees. ZEUS’s flagship building, Bercy Expo, was therefore not completed until after the onset of the recession and then remained largely empty for a number of years. Work on the remainder of the business quarter was not resumed for several years. ZEUS had to bear the substantial losses involved. The denationalization of one of the banks in the consortium in 1993 resulted in a change in ZEUS’s policy. The new management at the bank forced ZEUS to adopt a more commercial policy and to abandon its wider economic objective of promoting French agricultural produce (de la Baume, 1995). ZEUS was able to renegotiate the terms of their agreement with SEMAEST to convert some of the unlet showrooms in Bercy Expo into offices. Eventually, the prospect of the opening of the new metro station provided the stimulus for the completion of the business quarter in the second half of the 1990s.

7. Implementation of Redevelopment in Surrey Docks

During the implementation phase of the redevelopment of Surrey Docks there was continuing change in terms of the organizations involved and their interrelationships. Before the creation of the LDDC, Southwark Council had begun the process of redevelopment by filling in dock basins, providing roads and services, creating a park, and building an industrial estate and the first phase of a programme of municipal housing (Southwark Council, 1981). The compulsory transfer of most of the land in Southwark’s ownership to the LDDC meant that they were no longer the central actor in the redevelopment process.

The LDDC ignored the protest of the local community and local authorities, and got on with parceling up land and selling it on for development. The emphasis was on creating a competitive land market and partnerships did not feature in this process. Development briefs were prepared for sites, but these were indicative rather than prescriptive. The LDDC generally disregarded local authority plans, arguing for the need to respond to market demand (Coupland, 1992). The LDDC’s emphasis was on attracting development. In the case of the Surrey Docks all of the early interest was from speculative housebuilders. Developers were invited to submit competitive tenders based on the LDDC briefs. The LDDC Surrey Docks team did try to influence the nature of the development in order to create a more coherent urban form, but this was by persuasion rather than through any form of regulation. The
LDDC saw their role as facilitating rather than restricting development and planning approval was frequently given for developments, which did not comply with the LDDC development brief. In 1985, the LDDC invited tenders for the development of a shopping centre. Although the same process of inviting tenders in response to a development brief was used, there were extensive post-tender negotiations. The winning tender was submitted jointly by a developer and a supermarket chain. When the developer pulled out, the supermarket chain went ahead alone. The LDDC were very anxious to keep the project alive and were thus willing to make concessions. It was also necessary to negotiate with Southwark Council regarding changes to the road network to provide access to the new shopping centre (Lyders, 1986). The greater scale and complexity of this project required more collaboration between the LDDC, the developers and Southwark than had been necessary for previous projects.

In the late 1980s, the approach of the LDDC changed, partly in response to criticisms about its poor relationship with local communities (House of Commons, 1988), but also because cooperation with local authorities and other public sector agencies was needed in order to construct the necessary physical and social infrastructure. For example, the development of schools to serve the new population required the involvement of local government. Thousands of housing units were being built in the Surrey Docks in the early 1980s, but it was not until the second half of the decade that any provision for extra school places was planned (Chumun, 1986). The procedure for obtaining funding for new state schools involved the local education authority, which was until 1990 the Inner London Education Authority (ILEA), demonstrating the need for new provision to the Department of Education. When the need for a new primary school in Surrey Docks was agreed, a dispute arose as to whether the new school should be run by the local education authority or by the Catholic Diocesan Board of Education, and this delayed its construction. The Secretary of State arbitrated in the matter, and a new Catholic School was built. Subsequently it was agreed that a further primary school was needed and this became a county school run by Southwark Council, who became the education authority in 1990 (West, 1992). The LDDC provided funding for extra facilities at both of these schools. In the 1980s, there was not a shortfall of secondary school places in Southwark and thus a new secondary school in Surrey Docks could not be justified. However, in 1988, when the Government announced a new education initiative, city technology colleges, which were to have close links between private sector employers and to be free of local education authority control, Surrey Docks became the site of the first city technology college. The Church of England’s Diocesan Board of Education and a charitable trust supplemented government funding (Docklands News, 1997), but the project did not attract the private sector partners that the government had hoped for. It is clear that the LDDC and the Government chose on a number of occasions, to marginalize the involvement of the local education authority in the provision of schools in the Surrey Docks, and favoured the provision of schools outside local education authority control. Thus whilst Central Government, the LDDC, ILEA and later Southwark Council and the voluntary sector collaborated in relation to specific projects, there was evidence of continuing tension.

In the late 1980s, the LDDC changed its policy in relation to the provision of social housing (Cambridge Policy Consultants, 1998). They shifted from a policy of controlling the prices of a proportion of the new housing to enable local tenants to become home owners, to a policy giving grant aid to housing associations for the provision of housing for rent and shared ownership. This change in direction occurred partly as a result of criticism that local people were not benefiting from the development, but also because the LDDC needed the cooperation of Tower Hamlets and Newham Councils in order to the implement infrastructure projects. The LDDC made agreements with both Tower Hamlets and Newham which secured their cooperation on infrastructure projects in return for various community benefits including social housing (Brownhill, 1993). There was no such agreement with Southwark
Council, in part because of the continuing hostility of the local authority to the LDDC and also because there were then no major infrastructure projects for which their cooperation was required. Nonetheless, a deal was put together in 1989, which ensured the construction of some new social housing. A site, which had been originally been allocated to Southwark for building new municipal housing, and an existing adjacent council estate were transferred to a consortium of housing associations, who developed housing for rent and shared ownership. The Department of Environment had not been willing to allow Southwark to borrow to develop municipal housing, but they were willing to allow the Housing Corporation and the LDDC, both public corporations which they controlled, to subsidize the development of social housing. However, the Housing Act 1988, which was just coming into effect, limited the level of subsidy and required housing associations to borrow a proportion of the capital on the private market, with a resultant rise in rents (Cope, 1990). The LDDC described this package as a partnership (Docklands News, 1990), but it was one in which the terms were very much defined by central government and its agents. It was essentially a partnership between public bodies, although some of the finance came from the private capital market and the contracts for the building work were negotiated with private sector housebuilders. In the recession of the early 1990s, housing associations also bought up homes, which had been built for sale on the private market. House prices had fallen dramatically in Docklands and many units did not find buyers (Brownhill, 1993). Funding from the Housing Corporation and the LDDC enabled housing associations to buy up some of the surplus stock. The Government specifically allocated additional funds to the Housing Corporation for the purchase of unsold privately built units in order to restore confidence in the private market (Crook & Moroney, 1995). This was clearly a case of counter-cyclical intervention in the economy. In at least one case in Surrey Docks, the sale was agreed prior to the completion of construction works (Docklands News, 1991). However, the housebuilders were not taking any risks in a joint venture. The prices at which the housing was sold may have been lower than during the boom years, but housing associations provided a guaranteed market. Housebuilders did not modify their standard designs, which were built to lower space standards than projects commissioned by housing associations.

The focus of the key public–private partnership in London Docklands was not in Surrey Docks, but across the river at Canary Wharf on the Isle of Dogs. The scale of the office development proposed at Canary Wharf meant that it was necessary to significantly expand the capacity of the public transport infrastructure (Willis, 1997). Olympia and York, the developers of Canary Wharf, were able to persuade the Government to invest in the Jubilee Line Extension by making a commitment to contribute £400 million themselves. This partnership had an important impact on Surrey Docks, because Olympia and York won a tender for developing a commercial complex on the site adjacent to the shopping centre there (London Docklands Development Corporation, 1989), and a proposal for the siting of a Jubilee Line station close by at Canada Water was put forward shortly afterwards (Department of Transport, 1989). Olympia and York were clearly seeking to maximize the return from their investment in the public transport infrastructure. Although the subsequent bankruptcy of Olympia and York meant that their proposals for a commercial complex in the Surrey Docks did not materialize, the Jubilee Line Station at Canada Water was built as planned. In 1990, it was estimated that the developer’s contribution to the cost of the Jubilee Line Extension would be between 12 and 15% of the final cost after discounting to allow for payments being made over a 25 year period (Hodson, 1990). The cost of the extension subsequently rose dramatically with the result that the developer’s contribution represented an even smaller proportion of the final cost. Yet this very major commitment of public expenditure had initially been justified by the developer’s contribution. The creation of the Canary Wharf complex and the Jubilee Line Extension was clearly a partnership
in which the private sector took a very active role in setting public sector investment priorities.

8. Analysis of the Relationships Involved in the Process of Urban Renewal at Bercy and Surrey Docks

In the French case there was much greater institutional stability and partnerships were a feature of the process throughout. SEMs were not a new institutional form, but they were evolving and adapting to a different context. The SEMs involved in social housing in Paris were created in the inter-war period. In France, there is long history of the state using contracts with private sector bodies and SEMs to implement public policy (see Campagnac & Winch, 1997; Renard, 1994). Since 1977, when the central state relinquished responsibility for the administration of the city, the Maire de Paris has expanded and strengthened its network of satellite organizations. The long established SEMs have grown and taken on new roles, and new SEMs have been created particularly to implement the city’s programme of urban redevelopment. The transfer of the responsibility for the redevelopment of part of a ZAC to a private company was a new approach for the Mairie de Paris. However, the 1967 legislation, which created the legal framework for ZACs, had made provision for private companies being given the entire responsibility for redevelopment within ZACs, and many other municipalities have delegated this responsibility to private companies.

The French case study shows that the involvement of private sector partners does not necessarily reduce public sector control over the development. In fact, the land use and the physical form of development at Bercy were very much more tightly controlled than in the Surrey Docks. ZEUS, the most significant private sector partner involved in the development at Bercy, did not view this regulation of development negatively; they saw it as a mechanism for ensuring the quality of development and therefore in their interest.1 It is also important to note that the private sector partners in the development at Bercy also did not necessarily have a privileged position relative to other interested parties; the demands of the environmentalists to protect trees took precedence over the commercial interests of ZEUS. The process of redevelopment at Bercy was definitely led by the public sector despite the involvement of private partners.

The London case study was characterized by conflict and institutional change. There were various attempts to form partnerships, but these were not always successful. The Docklands-wide partnership between public sector bodies was unwieldy and did not have the resources to finance investment. Southwark’s attempts to work in partnership with the private sector also failed, because the private sector were not prepared to take the risk involved in the uncertain economic climate of the late 1970s. Urban Development Corporations have sometimes been described as partnership organizations (see for example, Lawless, 1994). However, they are essentially public sector agencies with individuals from the private sector on their boards. Although the LDDC promoted private sector led development, the organization received very substantial public funds to carry out its work and its board was accountable to the Secretary of State. In its initial years, it concentrated on creating a competitive land market, and partnership did not play a part in the development process. However, the nature of the LDDC’s relationships with both the public and private sectors changed considerably over time. In later years, the process involved much more negotiation with both public and private sector bodies, and some partnerships emerged from these negotiations. Most of these partnerships were involved in creating either physical or social infrastructure. Institutional change continued throughout the process. The LDDC was always intended to be a single purpose organization with a limited life and in 1998, after 17 years, it was wound up. Urban
Development Corporations also turned out to have a relatively short life as a policy instrument; no more were created after 1992.

In both cases intermediary organizations, linked to government, but with some degree of operational autonomy, played an important role. They could operate in a more flexible way than elected bodies. They were able to manoeuvre in a commercial context and strike deals with private sector partners without having to submit proposals for formal approvals. Although these intermediary organizations facilitated the development of public–private partnerships, they did not necessarily themselves function as partnerships. In the Parisian case, the intermediary organizations were formally constituted as partnerships, sometimes with some private sector involvement, but most were dominated by city government and, in practice, operated as its agent. In the London case, the key intermediary organization was constituted as a central government agency, but its board was dominated by private sector representatives and it was allowed a considerable degree of autonomy. The public accountability of these intermediary bodies was an issue in both case studies. Many commentators have perceived the way in which the Mairie de Paris operates through its network of satellite organizations as a means of removing matters from the public realm (see Blet, 1995; Madelin, 1997; Petitjean, 1994). The LDDC was also widely criticized for the secrecy with which it operated (see Brownhill, 1993; Coupland, 1992).

It is clear from the two case studies that the interrelationships between organizations can only be understood by considering both formal and informal structures. The institutional structures of partnership are better developed in the French case. However, organizations which are formally structured as partnerships, may be in practice dominated by one partner. Partnerships also need to be seen in the context of wider power relationships. In both case studies, support from the highest level of government was needed to secure the large-scale resources required to build new transport infrastructure.

In neither case study did partnerships provide an integrated approach to tackling the complex social, economic and physical problems of the decline of urban areas. At Bercy and at Surrey Docks these problems were primarily addressed in terms of the physical renewal of the urban fabric. To differing degrees, provision was made for social and economic activities. However, the future managers and users of these facilities generally had limited role in the development process.

In both cases, partnerships dominated by the public sector were responsible for the development of the transport infrastructure and social provision. Negotiations over the provision of infrastructure were more complex in the London case study. In order to create a socially balanced neighbourhood, the LDDC collaborated with the local authorities, voluntary school boards and housing associations. In the Parisian case, SEMAEST did not have to enter into the same kind of dialogue to ensure the development of such facilities. The Mairie de Paris was sufficiently wealthy and powerful to ensure that the necessary social infrastructure was provided. From the outset, the Mairie de Paris included social housing, schools and other public facilities in the PAZ. The development of social housing at Bercy did involve partnerships of sorts, but the Mairie de Paris was able to set the terms. Like the Housing Corporation, the Mairie de Paris controlled the allocation of subsidy for social housing, but unlike the Housing Corporation, it also controlled the allocation of sites and loan guarantees. The result was that the housing organizations involved at Bercy had much less autonomy than the housing associations involved at Surrey Docks.

There was not any significant community participation in partnerships in either case, but in the London case study the voluntary sector groups were partners in the provision of social infrastructure. Sometimes there is an assumption that the voluntary sector is linked to local communities, but, although voluntary sector organizations may be locally based and possible may have some community representation on their management committees, they are not
directly accountable to local communities. At Bercy there was no equivalent to the voluntary sector involvement in Surrey Docks. The campaign of the environmental activists did have a significant impact on the development at Bercy, but they were in oppositional role and were not in any sense partners in the redevelopment process. The wine merchants were a locally based group, who, because of their local political influence, were able to realize at least some of what they wanted by becoming junior partners in the new business centre.

In both case studies, the major public–private partnerships were for the development of new business districts, and both of which were initiated by the private sector as largely speculative projects. The goals of these partnerships were clearly primarily economic, with any social benefits being secondary. At Bercy at the time of the creation of the ZAC, the public benefits of the new business district were perceived to be the provision of new accommodation for wine merchants wanting to stay in the area, and the promotion of an important French industry (Ville de Paris, 1987). However, in practice the number of wine merchants remaining is less than anticipated, and the business centre has more or less abandoned its specialist function. The failure of ZEUS’s original vision of a specialist business district could be attributed to the lack of representation of any major food or wine interests within the consortium. The Mairie de Paris appears to have become more concerned with employment as specific issue towards the end of the process; later reports on the progress of the ZAC make reference to the number of jobs created and protected (Mairie de Paris, 1997). In the London case, job creation and access to jobs for local people were always seen as an important issue by local communities (see for example Joint Docklands Action Group, 1977). The LDDC’s consultants initially claimed that the Canary Wharf Development would result in the creation of up to 70,000 jobs (Brownhill, 1993). Olympia and York saw it as in their interest to promote good relations with the community; they agreed to provide funding for training local people and to encourage local recruitment (Foster, 1999). At the end of the life of the LDDC, the total number of jobs in the whole of the Urban Development Area, allowing for displacement of jobs and job transfers from elsewhere in the London economy, was calculated to be only 22,000 (Cambridge Policy Consultants, 1998). Whilst the recession in the early 1990s definitely slowed down expansion of employment, the early estimates about job creation in Canary Wharf had clearly been extremely over optimistic.

The public sector to some extent underwrote the development risk involved in the major public–private partnerships in both case studies. In the Parisian case, the principal public investment in the scheme was in the new metro line. Most of funding for this came from the central state; there was never any question of private sector developers contributing to the cost. However, the Mairie de Paris did not subsidize the development of sites within the business quarter. In fact, SEMAEST made a considerable surplus from the sale of land in the ZAC (Mairie de Paris, 1996). Unlike SEMAEST, the LDDC received a large amount of public funds (Cambridge Policy Consultants, 1998), but its budget included contributions to the wider transport infrastructure and to social infrastructure. The development of Canary Wharf benefited from tax relief available in the Enterprise Zone and direct central government investment in the transport infrastructure as well as from expenditure by the LDDC. In both the Parisian and London cases, despite public subsidies the developers of the new business districts sustained huge losses because of the property market crash and the delays in completion of rail links. Olympia and York were forced into bankruptcy by their creditors. The size of the loss at Bercy was smaller, because the scale of the business quarter was smaller. However, ZEUS only survived because its operation was, in effect, underwritten by publicly owned banks.

The different role of the state in the two national contexts was an important factor that influenced the development of partnership. The Mairie de Paris has developed into a very powerful body; the way in which it has concentrated power is some way analogous with the
way in which the French state centrally has concentrated power. It was able to utilize an existing network of organizations to plan and implement development. Some organizations were involved more in the conception stage and some involved more in the implementation stage, but there was a continuing dialogue between the key organizations throughout the process. The Marie de Paris was able to assert a high degree of control over the nature of development. It had more to offer its private sector partners than local government in London and was able to exact more in return. In the British case, power was initially diffused between different levels of government. The concentration of power by the central state was strongly resisted, and there were continuing demands for the development to be subject to local democratic control. The weak and fragmented nature of local government in the British case hindered the development of partnership. The weakness of the British economy in the 1970s and the early 1980s, when the redevelopment was being planned, and the election, in 1979, of a radical Conservative Government, committed to stimulating private enterprise, were significant factors driving change and experimentation in the process of redevelopment of the London Docklands. Although by the time the redevelopment at Bercy was conceived, the growth of the French economy had faltered, there remained a wide political consensus on the need for active state involvement in the development process. This resulted in institutional change in the French case being more evolutionary. In the British case study partnership only became a feature of development process after it became clear that market led development could not achieve more complex large scale developments or provide adequate physical or social infrastructure. The perception of the public and private sectors as separate spheres hindered the development of effective collaboration at an early stage. Another consequence of the greater historical emphasis on private initiative in Britain has been the development of an extensive network of voluntary sector organizations and these played an important role in the provision of social infrastructure.

9. Conclusions

The review of European literature on partnership suggests that there might be some similarities in new types of partnerships developing in different national contexts, but that there might also be some important differences between Britain and other European countries. Whilst it is not claimed that the two cases described above are typical of the process of redevelopment in either country, the comparative analysis provides some confirmation of this hypothesis. A number of key features of these new partnerships were identified in the literature and proved to be useful in the analysis of the case studies. The analysis draws attention to the need to understand partnership in the context of wider inter-organizational relationships, and to examine both formal structures and informal processes. It also highlights the importance of the differences in the nature of the state and its relationship to the private sector in the development of partnerships in the different national contexts.

Figure 2 summarizes the key features of the relationships between organizations in the case studies. Partnerships operating within broader networks of organizational relationships played significant roles in the redevelopment of both the areas. These partnerships undertook specific development projects rather than attempting to develop an integrated approach to the problems of urban decline. There were some significant similarities and some distinct differences in the nature of the partnerships in the two cases. The interface between the public and private sectors was evolving in both cases, and these changes involved more than the simple transfer of functions to the private sector. Sometimes, projects were conceived and developed by one organization, and then implemented by another, but in other cases, there was a considerable amount of interaction between organizations at both the conception and implementation stages of projects. Relationships between organizations can be considered
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Figure 2. Analysis of inter-organizational relationships in case studies.

along a continuum involving different degrees of interaction. Simple contracts relating to clearly defined projects are at one end of the scale, and partnerships undertaking complex tasks and involving continuing negotiations at the other end. The relationships between organizations involved in undertaking complex tasks were sometimes more ones of agency than partnership. Where continuing negotiations play an important part, informal relationships between partners as well as formal relationships are important. The informal interaction between partners, formal structures and wider power relations determined what was achieved in particular partnerships. Both case studies show the importance of intermediary bodies in facilitating the creation of public-private partnerships, but also highlight the problem of their accountability to the wider public. These intermediary bodies were able to manoeuvre in a commercial context and strike deals with private sector partners without having to submit proposals for formal approvals. Although their formal constitutions were very different, the
intermediary bodies in both case studies operated essentially as agents of different levels of government. The influence of business on the nature of development was greater in the British case, but this was the result of government policy to promote private sector initiative rather than public–private partnerships. In both cases the partnerships with the greatest degree of private sector involvement had primarily economic objectives. The initiative for these partnerships had come from the private sector. Although the public sector to a certain extent underwrote private investment in both cases, the private sector also shared in the risks and the losses. The public policy objectives of these public–private partnerships changed somewhat over time, and the benefits to the public were somewhat elusive. Public–public partnerships were important in the provision of transport infrastructure in both cases, and to the provision of social infrastructure in the British case. The significance of these partnerships appeared to be not so much their ability to facilitate public–private partnership, but their effectiveness in tackling complex problems which required an integrated approach.

The history of state and private sector interaction, and the relationship between different tiers of government appear to be the key factors in determining the differences in the nature of the partnerships in the two case studies. In the French case study the long history of collaboration between public and private sectors had created an institutional structure and a culture which was more conducive to cross-sectoral working. However, this more collaborative approach was not at the expense of public control over development. In the British case there was greater conflict between different levels of government and local government for a long period had little involvement in the redevelopment process. The initial emphasis on private sector initiative did not result in organizations working in partnership. However, to complete the process of urban renewal and secure the development of appropriate transport and social infrastructure a more collaborative approach was needed.

Note

1. Interview of manager of ZEUS by author.

References


Docklands News (1990) Redriff eyesore to become 500 low-income homes, February.

Docklands News (1991) First tenants move into low cost homes, August.


